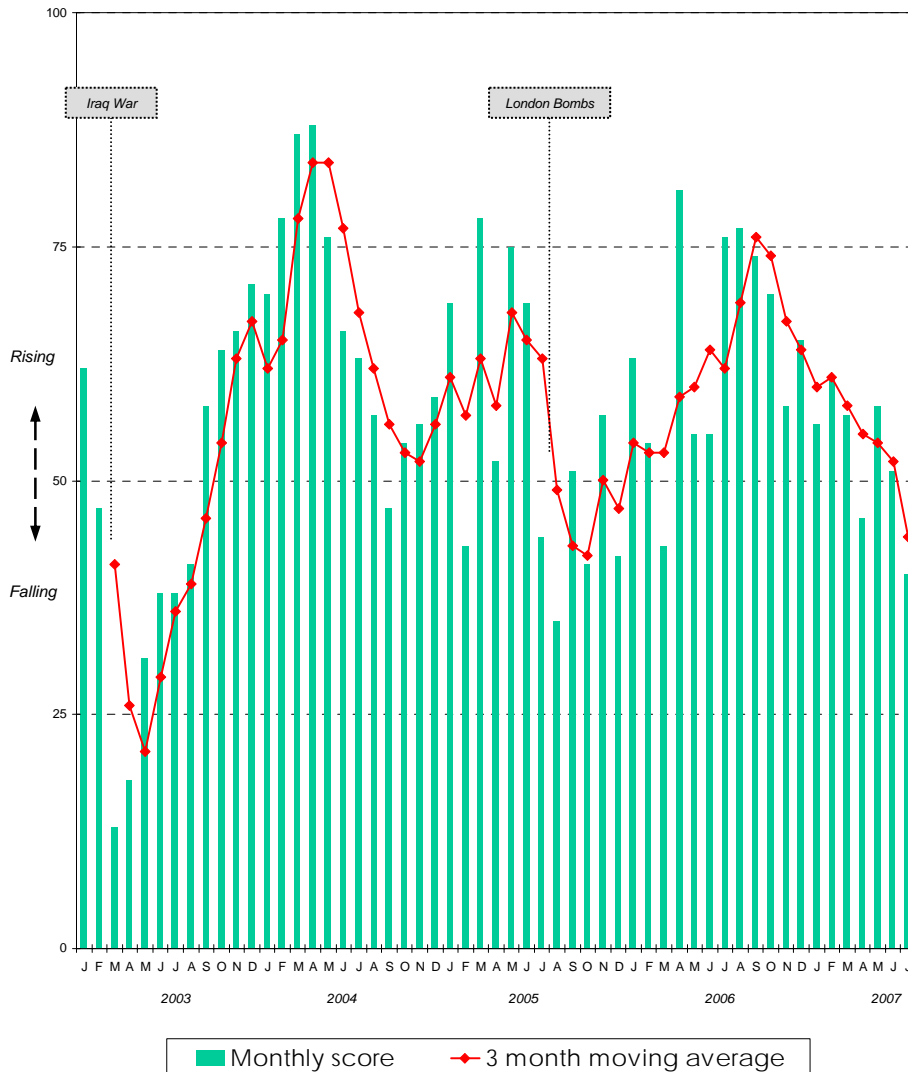


LONDON VISITOR INDEX



London Visitor Index 2003-07



JULY 2007

40/100

June 2007	51
May 2007	58
July 2006	76

SUMMARY

Despite London hosting a number of high-profile events during July, growth across the capital visitor economy appears to have slowed sharply during the month, reflecting lower visitor numbers from key overseas markets, as well as jitters in the City.

As a result, the London Visitor Index dropped to its lowest level since summer 2005.

Whilst Londoners continued to spend heavily in July, helping retailers and restaurants, it appears a significant drop-off in overseas visitors had a negative impact on other sectors.

Attractions recorded the slowest rate of growth in attendances for 12 months, while hotels also witnessed a slowing of growth.

Other key findings for July include:

Lower footfall levels through London's main Tourist Information Centres

Warnings that there is little prospect of a recovery in US visits for the remainder of the year

The London Visitor Index is a monthly composite index of leading visitor surveys. A score over 50 indicates growth

Individual Indicators

Inbound Visits: Foreign arrivals into the UK decreased by -8.2% in July, with arrivals from North America down by -11.2%. The industry body UKInbound warned that there was "little prospect" of a recovery from the US for the remainder of this year

London Attractions: Overall attendance levels to London attractions rose by +1.3% in July compared to the same month last year. Although attendances are still growing, this level of growth was the lowest recorded for 12 months

London Hotels: Both occupancy and room revenue growth slowed in July following almost two years of continues above average growth. However, very high levels of occupancy, near 90%, were still posted for much of the month. Although London hotels did not benefit from the bi-annual Farnborough Airshow this year, the capital did host the start of the Tour de France

FTSE 100: Amongst growing concerns about tightening credit conditions, sentiment in the City changed significantly in July. Although the FTSE 100 remained higher than a year ago, it witness its worst one-day percentage decline since March 2003 during July

London Airport Passengers: The number of passengers passing through London's five main airports grew by +0.9% in July. A number of flights were cancelled as a result of terrorist attacks in Glasgow and extreme weather. British Airways continued to report weak non-premium traffic on Atlantic routes

Effective Exchange Rate: The pound continued to appreciate against most other major currencies during July. The pound's strength against the US dollar does now appear to be having a significant negative impact on US visitors to the UK

Consumer Confidence: UK consumer confidence remained stable in July although lower compared to 12 months ago. However, both main surveys of confidence reported worrying signs that uncertainty over interest rates is beginning to curb consumer spending

London Tourist Information Visits: Given the major events that occurred in London during July, there was a surprising fall in the number of visits made to London's principal tourism information centres. Overall, attendances were down -1% compared to July last year

London VAT-free Shopping: Tourism retail spending in London – as measured by the number of VAT refunds claimed back by non-EU visitors – again showed mixed results in July. According to Global Refund, whilst transactions declined by -5%, the value of these transactions jumped by +14%

Notes

What is the London Visitor Index?

The London Visitor Index is a monthly composite index of leading visitor surveys. This index gives a quick indication of current trading conditions and is based upon a basket ten individual surveys.

How it works?

The monthly year-on-year percentage change for each indicator is given a score between 1-10 depending on the change. For example, a +10% monthly change gets 10 points, while -8% change gets 0 points. These scores are then added together to get an overall tally.

Scoring System

+10% change = 10 points

10-8% change = 9 points

8-6% change = 8 points

6-4% change = 7 points

4-2% change = 6 points

2-0% change = 5 points

0-(-2)% change = 4 points

(-2)-(-4)% change = 3 points

(-4)-(-6)% change = 2 points

(-6)-(-8)% change = 1 points

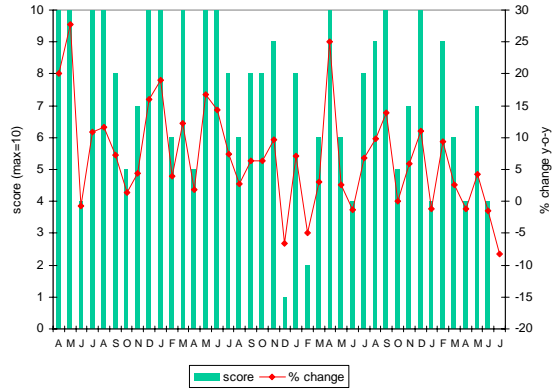
>(-8)% change = 0 points

LONDON VISITOR INDEX



Individual Indicators

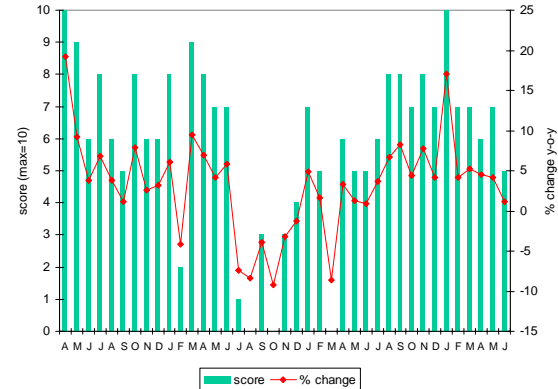
IPS Visits Source: National Statistics



Measures the number of visitors entering the UK through interviews with a stratified random sample of passengers on the main air, tunnel and sea routes

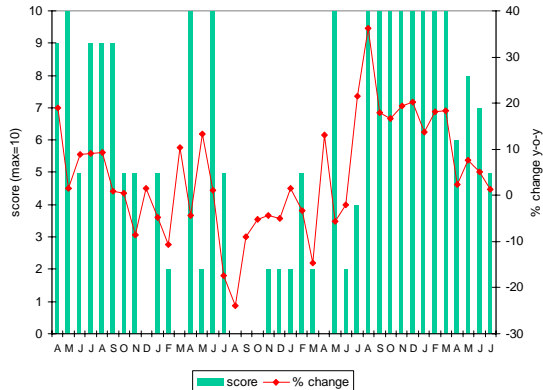
Individual Indicators

UKinbound Arrivals Source: UKinbound



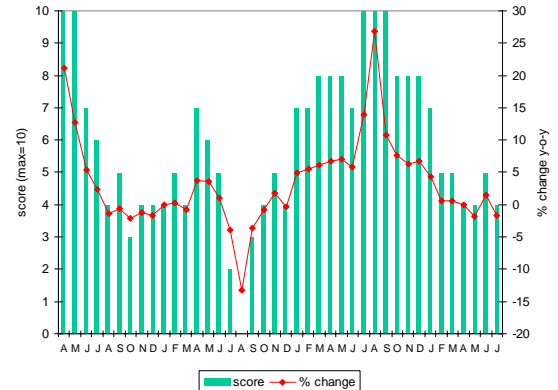
Each month UKinbound produces a Business Barometer, based on confidential survey questionnaires from UKinbound members, comparing a range of results compared with a similar and corresponding period in the previous year

London Attraction Visits Source: Visit London



A monthly survey measuring visitor levels to 65 attractions in London, which account for around 75% of overall admissions in the capital

PKF London Hotel Occupancy Source: PKF



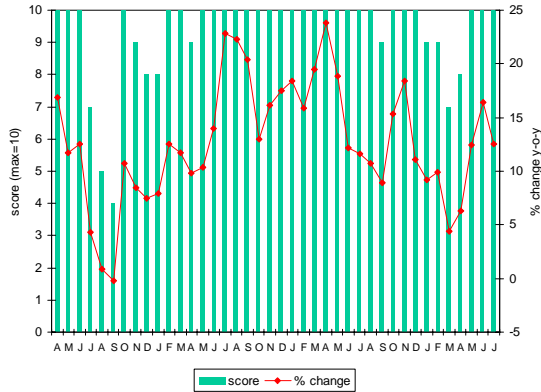
An analysis of 41,900 London hotel rooms measuring the level of occupancy

LONDON VISITOR INDEX



Individual Indicators

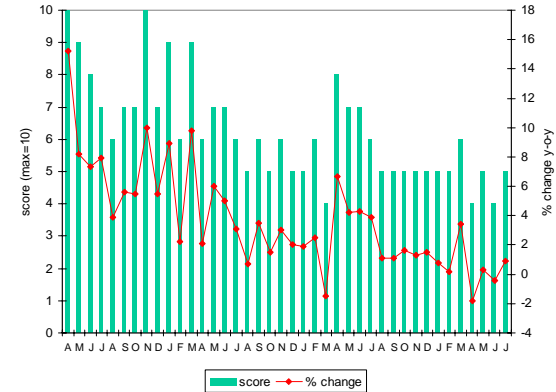
FTSE 100 Source: FTSE



Measures the stock market performance of the 100 most highly capitalised blue chip companies listed on the London Stock Exchange

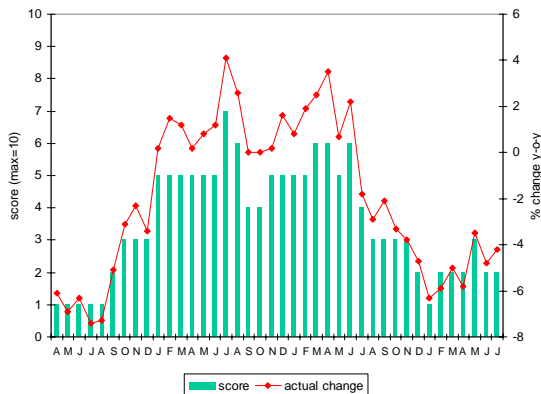
Individual Indicators

London Airport Passengers Source: CAA



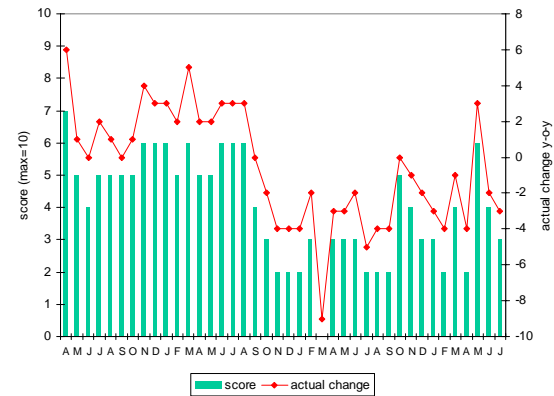
Measures the number of passengers through London airports (Gatwick, Heathrow, London City, Luton, Stansted)

Effective Exchange Rate Source: Bank of England



Measures the weighted average exchange rate movements of sterling against a basket of other currencies (60% Europe, 18% US, 8% Japan, 14% Others). Movements have been reserved to reflect the positive nature of weakening sterling for London tourism

UK Consumer Confidence Source: European Commission



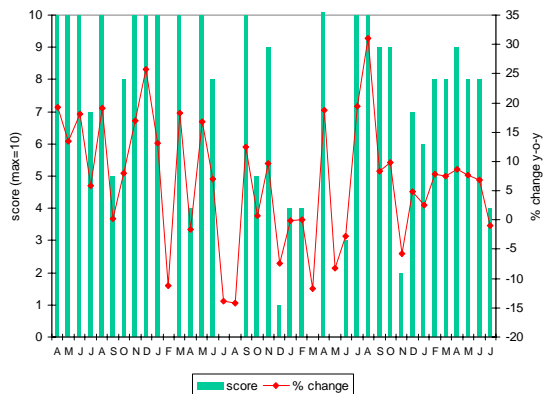
Arithmetic average of the balances of answers to questions on the financial situation of households, general economic situation, employment expectations and savings, over the next 12 months

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Individual Indicators

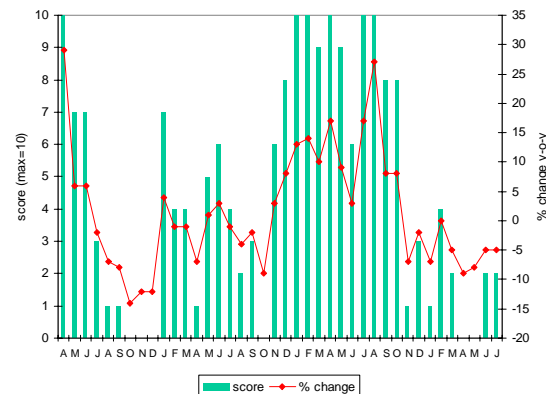
London TIC Visitors Source: Greenwich, BLVC, Croydon, Lewisham



Number of visitors to the Britain & London Visitor Centre, Greenwich, Croydon and Lewisham Tourist Information Centres

Individual Indicators

London VAT Free Shopping Source: Global Refund



Measures the number of VAT free shopping transactions made across London

London Visitor Index is published during the second week of each month. It provides an overview of the current state of London's visitor economy. Further information at http://corporate.visitlondon.com/facts_figures/latest_statistics/

Disclaimer

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Visit London

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